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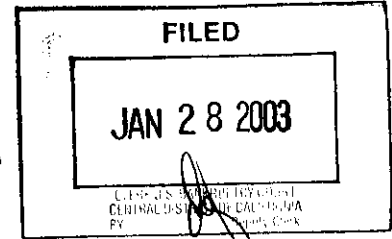
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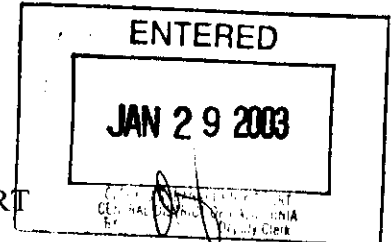
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BY NE DEPUTY

Counsel for Debtors and Debtors-in-Possession



UNITED STATES BANKRUPTCY COURT

CENTRAL DISTRICT OF CALIFORNIA

RIVERSIDE DIVISION

In re

CONSOLIDATED FREIGHTWAYS
CORPORATION OF DELAWARE, et al.

Debtors.

Fed. Tax I.D. No. 94-1444797

Case No.: RS-02-24284-MG

Chapter 11

(Jointly Administered with Case Nos.
RS-02-24289-MG; RS-02-24287-MG;
RS-02-24293-MG; RS-02-24294-MG; and
RS-02-24295-MG)**Hearing**

Date: January 28, 2003

Time: 10:30 a.m.

Place: Courtroom 301
3420 Twelfth Street
Riverside, CA 92501

Judge: Hon. Mitchel R. Goldberg

**STIPULATION WITH LUIS AND JANA GARCIA FOR LIMITED RELIEF FROM
AUTOMATIC STAY; ~~PROPOSED~~ ORDER THEREON**TO THE HONORABLE MITCHEL R. GOLDBERG, UNITED STATES BANKRUPTCY
JUDGE, THE OFFICE OF THE UNITED STATES TRUSTEE, THE OFFICIAL COMMITTEE
OF UNSECURED CREDITORS AND OTHER PARTIES IN INTEREST:This stipulation (this "Stipulation") is entered into by and between Consolidated
Freightways Corporation, Consolidated Freightways Corporation of Delaware ("CFCD"),
Redwood Systems, Inc., Leland James Service Corporation, CF Airfreight Corporation and CF
MovesU.com Incorporated (collectively, the "Debtors"), and Luis Garcia and Jana Garcia

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(together, "Movant"), by and through their respective counsel, and is made with reference to the following facts:

1. On September 3, 2002, the Debtors filed petitions for relief (the "Petitions") under chapter 11 of Title 11 of the United States Code, §§ 101 *et seq.* (the "Bankruptcy Code").

2. On April 18, 2000, Movant filed a complaint in the 141st Judicial District, Tarrant County, Texas, against Roland Howard ("Howard") and CFCD; cause number 141-182680-00 (the "State Court Action").

3. On August 5, 2002 (the "Settlement Date"), a Rule 11 and Settlement Agreement (the "Settlement Agreement") was executed by Movant and the Debtors, settling the State Court Action for \$310,000 (the "Settlement Amount") plus certain other consideration from the Debtors in exchange for Movant's agreement to release, discharge, and forever hold harmless the Debtors and Howard from any and all claims, demands, or suits, known or unknown, fixed or contingent, liquidated or unliquidated whether or not asserted in the State Court Action as of the Settlement Date, arising from or related to the events and transactions which are the subject of the State Court Action (collectively, the "Claims").

4. Because the Petitions commencing the above-captioned chapter 11 cases (the "Cases") were filed on the same day the Settlement Amount was to be paid by the Debtors to Movant, the Settlement Amount was not paid to Movant and remains unpaid as of the date hereof.

5. On or about November 19, 2002, Movant filed a Motion for Relief from the Automatic Stay under 11 U.S.C. § 362 (the "Motion") seeking limited relief from the automatic stay to proceed against any applicable insurance carriers, bonding agents, State Insurance Funds or like sources for insurance or similar proceeds which may be recoverable by Movant as a result of the Debtors' entry into the Settlement Agreement.

6. The Debtors and Movant desire to enter into this Stipulation to resolve the Motion in order to avoid the costs of further proceedings on the Motion in this Court. The Debtors believe that the terms of this Stipulation are in the best interests of all parties, including

1 the Debtors, their creditors and their estates.

2 WHEREFORE, in consideration of the foregoing, the Debtors, in their capacity as
3 debtors and debtors-in-possession, and Movant, by and through their respective counsel, hereby
4 stipulate and agree as follows:

5 A. The Debtors agree to limited relief from the automatic stay being granted
6 in favor of Movant to allow it to proceed against all applicable insurance carriers, bonding
7 agents, state insurance funds or like sources and their privities for payment of the Settlement
8 Amount.

9 B. Movant shall seek payment of the Settlement Amount, or any other
10 amounts awarded or expenses incurred arising from or related to the State Court Action or the
11 claims asserted therein, solely from applicable insurance, bonds, state insurance funds or like
12 sources if any. Movant hereby expressly waives and releases any right he or she has or might
13 assert to recover from the Debtors, their estates or their assets (other than any of the Debtors'
14 applicable insurance policies, bond contracts, state insurance fund rights or like rights or
15 agreements) any portion of such Settlement Amount or any other amount or expense arising from
16 or related to the State Court Action or the claims asserted therein. Notwithstanding the prior two
17 sentences, in the event there exists no insurance, bonds, state insurance funds or like sources
18 from which Movant can seek payment of the Settlement Amount, Movant shall be permitted to
19 maintain its claim, in the amount of the Settlement Amount, against the Debtors' estates as an
20 unsecured creditor to be treated in the same manner as any other similarly situated unsecured
21 creditor of the Debtors under any plan ultimately approved by this Court; provided, however,
22 that such claim may only be maintained if Movant has properly filed a Proof of Claim against the
23 Debtors prior to the claims bar date established in these Cases.

24 C. Movant and the Debtors will provide reasonable assistance to each other
25 regarding which policies are affected by this Stipulation, however, the Debtors shall not be
26 subject to onerous discovery requests or demands or incur unreasonable expenses related to the
27 State Court Action.

28 D. This Court shall have exclusive jurisdiction over all disputes between the

Debtors and Movant relating to the Debtors' involvement in the State Court Action, including, but not limited to, any disputes regarding discovery requests or demands.

E. Nothing in this Stipulation shall be deemed to waive any defense or claim by any party to this Stipulation, except as specifically provided herein.

Dated: January 24, 2003

LATHAM & WATKINS LLP

By Gregory O. Lunt
Gregory O. Lunt
Counsel for Debtors and Debtors-in-
Possession

Dated: January __, 2003

SPEISER KRAUSE

By _____
Kent C. Krause
Attorney for Luis and Jana Garcia

ORDER

The Court having considered the foregoing Stipulation and good cause appearing therefor, the Stipulation is approved in its entirety, and (i) Movant is granted the requested limited relief from the automatic stay to the extent provided for in this Stipulation and (ii) this Court shall retain exclusive jurisdiction over all disputes between the Debtors and Movant relating to the Debtors' involvement in the State Court Action, including, but not limited to, any disputes regarding discovery requests or demands.

IT IS SO ORDERED.

Dated: January __, 2003

The Honorable Mitchel R. Goldberg
United States Bankruptcy Judge

1 Debtors and Movant relating to the Debtors' involvement in the State Court Action, including,
2 but not limited to, any disputes regarding discovery requests or demands.

3 E. Nothing in this Stipulation shall be deemed to waive any defense or claim
4 by any party to this Stipulation, except as specifically provided herein.

5 Dated: January __, 2003

LATHAM & WATKINS LLP

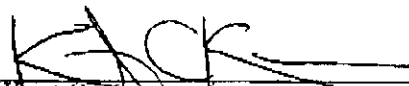
7 By

Gregory O. Lunt
Counsel for Debtors and Debtors-in-
Possession

10
11 Dated: January 24th, 2003

SPEISER KRAUSE

13 By


Kent C. Krause
Attorney for Luis and Jana Garcia

15 **ORDER**

16 The Court having considered the foregoing Stipulation and good cause appearing
17 therefor, the Stipulation is approved in its entirety, and (i) Movant is granted the requested
18 limited relief from the automatic stay to the extent provided for in this Stipulation and (ii) this
19 Court shall retain exclusive jurisdiction over all disputes between the Debtors and Movant
20 relating to the Debtors' involvement in the State Court Action, including, but not limited to, any
21 disputes regarding discovery requests or demands.

22 IT IS SO ORDERED.

23 Dated: January 28, 2003


The Honorable Mitchel R. Goldberg
United States Bankruptcy Judge

In re CONSOLIDATED FREIGHTWAYS CORPORATION OF DELAWARE, a Delaware corporation, et al., Debtor. Fed. Tax I.D. No. 94-1444797	Case No. RS 02-24284- MG Chapter 11 (Jointly administered with the following cases: 02-24287; 02-24289; 02-24293; 02-24294; and 02-24295)
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**NOTICE OF ENTRY OF JUDGMENT OR ORDER
AND CERTIFICATE OF MAILING**

TO ALL PARTIES IN INTEREST:

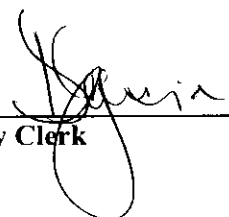
1. You are hereby notified, pursuant to Local Bankruptcy Rule 9021, that a judgment or order entitled,

**“ORDER ON STIPULATION WITH LUIS AND JANA GARCIA FOR LIMITED RELIEF FROM
JAN 29 2003
AUTOMATIC STAY”** was entered on _____.

2. I hereby certify that I mailed a copy of this Notice of Entry and a true copy of the order or judgment to the
noticing agent for service to the persons and entities on the attached service list on **JAN 29 2003**

Dated: **JAN 29 2003**

JON D. CERETTO
Clerk of the Bankruptcy Court

By: 
Deputy Clerk

Service List

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